MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2018/2019

DFA5058 – FINANCIAL ACCOUNTING

(All sections / Groups)

24 OCTOBER 2018
9.00 a.m – 11.00 a.m
(2 Hours)

INSTRUCTION TO STUDENTS

1. This question paper consists of **4** pages with 4 questions.
2. Answer **ALL** questions.
3. Write your answers in the answer booklet provided.

QUESTION 1

Ameena established a catering company named Seri Rempah Catering on 3 April 2018. During April, the business completed the following transactions:

Apr 3 Owner invested cash RM40,000 as investment.

5 Paid RM15,000 cash and signed a RM150,000 note payable to purchase building for office use.

8 Purchased catering equipment for RM20,000. The company paid RM8,000 cash and the balance will be paid next month.

12 Purchased supplies for RM1,500. The company paid RM500 deposit.

14 Provided services for RM15,000. Customer paid 20% today.

18 Paid employees' salaries RM5,000 and utilities RM800.

25 Provided services for RM28,000. RM10,000 was received from customer. The balance will be received next month.

28 Paid balance owing for the purchase of supplies on April 12.

Instructions

(a) Analyse each transaction and state whether it has (1) increased, (2) decreased or (3) had no effect on the cash of the company.

(4 marks)

(b) Prepare the journal entries to record April's transactions for Seri Rempah Catering.

(11 marks)

(c) Post the related transactions to Cash T-account and balance off the account.

(10 marks)

[TOTAL 25 MARKS]

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QUESTION 2

The trial balance of Anggerik Company shown below pertains to the month of March 2018.

Anggerik Company
Trial Balance
as at 31 March 2018

	Debit	Credit
Cash	RM20,000	
Accounts receivable	4,000	
Supplies	2,000	
Prepaid rent	2,700	
Office equipment	15,000	
Accounts payable		RM8,000
Unearned service revenue		3,000
Capital		15,000
Service revenue		25,000
Salaries expense	7,000	
Utilities expense	300	
	RM51,000	**RM51,000**

Data needed for the adjusting entries include the following:
(1) Supplies used during the month, RM800.
(2) Monthly depreciation on office equipment, RM200.
(3) Salaries owed but not yet paid, RM1,700.
(4) Service performed but not recorded, RM5,000.
(5) RM1,500 of unearned service revenue was earned during the month.
(6) Prepaid rent expired, RM900.

Instructions

(a) State two (2) purposes of adjusting accounts. (2 marks)

(b) Briefly explain the accounting adjustments' categories below:
  (i) Deferrals (1 mark)
  (ii) Depreciation (1 mark)
  (iii) Accruals (1 mark)

(c) Classify each adjusting entries in (1) to (6) as deferral, depreciation or accrual. (3 marks)

(d) Prepare journal entries to record the adjustments at 31 March 2018. (6 marks)

(e) Prepare the adjusted trial balance. (11 marks)

[TOTAL 25 MARKS]

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QUESTION 3

PART A

At the beginning of October 2018, Syarikat Harmoni's ledger showed Merchandise Inventory of RM7,795. The company, a sports equipment retailer, completed the following merchandising transactions during the month.

Oct 3 Purchased football jerseys on account from Ultra Apparels RM800, FOB Destination, terms 2/10, n/45. The appropriate party also made a cash payment of RM80 for freight on this date.

5 Received RM200 credit from Ultra Apparels for returned merchandise.

10 Paid the amount due to Ultra Apparels in full.

18 Sold 2kg dumb bells to Fit Gym on account for RM1,000, terms 1/10, n/30. The merchandise sold had a cost of RM600.

19 Purchased photocopy machine by cash RM1,100 for office use.

21 Fit Gym returned RM100 of merchandise. The merchandise had a cost of RM60.

26 Received payment in full from Fit Gym.

Instructions

(a) Journalise the above transactions using a perpetual inventory system. (10 marks)

(b) Prepare the T-account for Merchandise Inventory. (7 marks)

PART B

Presented below are selected account balances for Kejora Sdn. Bhd. for the month of May 2018.

	RM		RM
Advertising expense	4,400	Loss from sale of equipment	1,700
Cost of goods sold	166,900	Salaries expense	28,900
Commission revenue	9,100	Sales	278,200
Delivery expense	3,600	Sales discounts	7,500
Insurance expense	2,800	Sales returns and allowances	11,300

Instruction

Use the above information to prepare a multiple-step Statement of Comprehensive Income for the month ended 31 May 2018. (8 marks)

[TOTAL 25 MARKS]

Continued...

QUESTION 4

Comparative Statements of Financial Position for Selasih Bhd. and Sutera Bhd., two competitors, for the year 2018 appear below.

Statements of Financial Position as at 31 December 2018

	Selasih Bhd.	Sutera Bhd.
Assets		
Cash	RM80,000	RM22,000
Short-term investments	66,000	19,300
Accounts receivable (net)	101,400	88,400
Inventory	136,700	92,500
Prepaid insurance	32,800	11,800
Property, plant and equipment (net)	193,000	410,000
Total assets	**RM609,900**	**RM644,000**
Liabilities and Stockholders' Equity		
Accounts payable	51,900	126,200
Salaries payable	54,200	25,100
Long-term bank loan	120,000	200,000
Total liabilities	226,100	351,300
Common stock	300,000	250,000
Retained earnings	83,800	42,700
Total stockholders' equity	383,800	292,700
Total liabilities and stockholders' equity	**RM609,900**	**RM644,000**

Additional information:

	Selasih Bhd.	Sutera Bhd.
Sales revenue (all on account)	RM810,000	RM620,000
Cost of goods sold	590,800	428,800
Beginning accounts receivable (net)	120,600	92,000
Beginning inventory	121,600	96,300

Instructions

(a) Compute the following ratios for both companies in year 2018:
- (i) Current ratio (4 marks)
- (ii) Acid-test ratio (4 marks)
- (iii) Receivables turnover (4 marks)
- (iv) Inventory turnover (4 marks)

(b) Based on the above liquidity ratios, which company performed better? Why? (2 marks)

(c) Prepare a schedule showing a vertical analysis for the assets section for both companies. (7 marks)

[TOTAL 25 MARKS]

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